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INCOMING  
TELEGRAM

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ACTION EAP-00

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ACTION OFFICE CM-05

INFO J-05 R-03 TR-02 TC-01 P-01 RA-01 PHU-01 EAP-05  
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INFO LOG-00 ADS-00 AID-00 INR-07 EUR-00 SS-00 CIAE-00  
R-01 MEA-06 NSCE-00 NSAE-00 SSO-00 RA-05 L-03  
LAD-04 TRSE-00 PK-10 INSE-00 AIT-02 PA-01 PC-01  
CCO-00 VO-06 OMB-01 INRE-00 RIB-01 CA-02 ANAE-00  
SP-02 SMP-01 PRS-01 OS-00 P-02 T-01 /062 V

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FM AMEMBASSY BEIJING

TO SECSTATE WASHDC MIACX IMMEDIATE 2348

INFO AIT TAIPEI IMMEDIATE

AMCONSUL GUANGZHOU IMMEDIATE

AMCONSUL HONG KONG IMMEDIATE

AMCONSUL SHANGHAI IMMEDIATE

AMCONSUL SHENYANG IMMEDIATE

AMEMBASSY BANGKOK IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY MOSCOW IMMEDIATE

AMEMBASSY NEW DELHI IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY SEOUL IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

USCINCPAC HONOLULU HI IMMEDIATE

OSIA WASHDC IMMEDIATE 1646

SECDEF WASHDC IMMEDIATE

AMCONSUL CHENGDU POUCH

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MIACX ONLY FOR OPS CENTER

NSC FOR DOUG PAAL

CINCPAC FOR FPA FINNEY

E.O. 1 2356: DECL:OADR

TAGS: MOPS, PINS, PREL, PGDV, PHUR, SOCI, CM

SUBJECT: TFCNOV: SITREP NO. 68, JUNE 30, 1700 LOCAL

1. SUMMARY: THE SEVENTH NATIONAL PEOPLE'S CONGRESS CONVENED JUNE 23 WITH ITS CHAIRMAN, WAN LI, DELIVERING A VERY MODERATE SPEECH IN CONTRAST TO THE TOUGH AND UNCOMPROMISING SPEECH THE DAY BEFORE BY NEW GENERAL SECRETARY JIANG ZENIN.

2. SHANGHAI AUTHORITIES DEMANDED CONGEN SHANGHAI REMOVE THE TEXT OF PRESIDENT BUSH'S SPEECH ON CHINA AND VOX COMMENTARY FROM THE CONSULATE'S DISPLAY CASE BECAUSE IT "OFFENDS THE FEELINGS OF THE CHINESE PEOPLE". EMBASSY BEIJING ADVISED SHANGHAI TO KEEP THE DISPLAY AND TO SAY THAT CHINESE AUTHORITIES' COMMENT: ON THE PRESIDENT'S SPEECH "OFFEND THE FEELINGS OF THE AMERICAN PEOPLE."

IN BEIJING, THE MFA DELIVERED OFFICIAL COMPLAINTS TO THE PAO ON THE "INACCURATE REPORTS" CARRIED IN THE EMBASSY'S WIRELESS BULLETIN. THE PAO ASSERTED THAT THE STORIES WERE ACCURATE. THE LARGE AMERICAN JOINT VENTURE SHERATON HOTEL WAS ORDERED TO CEASE RECEPTION OF CNN TRANSMISSIONS. OTHER HOTELS, HOWEVER, HAVE NOT YET HAD THEIR CNN RECEPTION STOPPED.

3. PRESIDENT YANG SHANGXUN AND PREMIER LI PENG MET WITH LOWER-LEVEL VISITING FOREIGN OFFICIALS. PREMIER

LI SAID THE VISITS OF THE FOREIGN GUESTS DEMONSTRATED SUPPORT FOR CHINA. THE MFA SPOKESPERSON SAID THE U.S. VIOLATED CHINESE AND INTERNATIONAL LAW BY GIVING REFUGE TO FANG LIZHI. THE SPOKESPERSON ALSO SAID THE JUNE 27 EC STATEMENT "JEOPARDIZES BILATERAL RELATIONS".

4. VICE PREMIER WU XUEQIAN TOLD A VISITING AMERICAN THAT THE PEACE CORPS PROGRAM WAS ONLY POSTPONED AND WAS NOT CANCELLED. VISA APPLICATIONS AT THE EMBASSY ARE AGAIN BEING HANDLED FOLLOWING THE GOVERNMENT'S REUKNOWLEDGMENT FOR ITS NATIONALS TO APPLY FOR A NEW TYPE OF EXIT PERMIT. THE MARTIAL LAW FORCES HELD A SINGING CONCERT IN HONOR OF THE 68TH ANNIVERSARY OF THE FOUNDING OF THE COMMUNIST PARTY. THE PHILIPPINES WILL LIFT ITS TRAVEL ADVISORY ON JULY 1, ACCORDING TO THE LOCAL PRESS. THE PAO REPORTS SOME CONTACTS WHO WISH CONTINUED RELATIONS WITH THE EMBASSY WILL, FOR NOW, TALK WITH THE LOCAL STAFF AND NOT WITH AMERICAN OFFICERS. FOREIGN MINISTER QIAN HOSTED 80 DIPLOMATS, MOSTLY FROM THE THIRD WORLD AND COMMUNIST BLOCK NATIONS, AT A WATERMELON FESTIVAL.

END SUMMARY.  
NPC CONvenes, WAN LI DELIVERS MAJOR SPEECH

5. JUNE 29 EVENING NEWS AND JUNE 30 PRINT MEDIA GAVE PROMINENT COVERAGE TO THE OPENING SESSION OF THE EIGHTH MEETING OF THE SEVENTH NATIONAL PEOPLE'S CONGRESS STANDING COMMITTEE. 133 OF THE 152 MEMBERS ATTENDED THE OPENING MEETING OVER WHICH NPC CHAIRMAN WAN LI PRESIDED. THE STANDING COMMITTEE WILL CONSIDER AND IS EXPECTED TO APPROVE THE DECISIONS REACHED BY THE FOURTH PLENUM OF THE THIRTEENTH PARTY CENTRAL COMMITTEE. IT WILL CONSIDER THE STATE COUNCIL'S NEW DRAFT LAW PLACING GREATER RESTRICTIONS ON RALLIES AND DEMONSTRATIONS, AND WILL MAKE IT PUBLIC FOR NATIONAL CONSIDERATION. ON OTHER ISSUES, THE STANDING COMMITTEE WILL RECEIVE REPORTS ON GOVERNMENT ACTIONS IN CRUSHING THE DEMONSTRATIONS; WAN LI'S REPORT ON HIS RECENT TRIP TO CANADA AND THE U.S.; PARTICIPATION IN THE 81ST INTER-PARLIAMENTARY UNION MEETING; AND WILL DECIDE PERSONNEL APPOINTMENTS AND DISMISSALS.

6. THE HIGHLIGHT OF THE FIRST DAY'S MEETING WAS A SPEECH DELIVERED BY THE CHAIRMAN, WAN LI. IN SHARP CONTRAST TO THE TOUGH AND UNCOMPROMISING TONE TOWARDS STUDENT LEADERS AND DEMONSTRATORS SET THE DAY BEFORE BY THE NEW GENERAL SECRETARY JIANG ZENIN, WAN LI'S SPEECH WAS VERY MODERATE. HE SAID THAT EVERYONE IN CHINA "MUST BE COGNIZANT THAT STABILITY IS IN CHINA'S HIGHEST INTEREST. WE MUST STRENGTHEN THE EDUCATION OF SOCIAL DEMOCRACY AND THE LEGAL SYSTEM AMONG ALL NATIONALITIES IN CHINA. WE MUST INCREASE AND STRENGTHEN THE PEOPLE'S SOCIAL DEMOCRATIC CONSCIOUSNESS AND LEGAL SYSTEM CONCEPTS. PEOPLE MUST CONSCIOUSLY EXERCISE THEIR CONSTITUTIONAL AND DEMOCRATIC RIGHTS, AND FULFILL THEIR CONSTITUTIONAL AND LEGAL DUTIES." WAN LI CAUTIONED, HOWEVER, THAT IN "EXERCISING FREEDOMS AND RIGHTS, THE PEOPLE MUST NOT HARM THE NATION OR SOCIETY, THE INTERESTS OF THE WHOLE, AND THE LEGAL FREEDOMS AND RIGHTS OF OTHER PEOPLE."

7. IN A CAREFULLY CRAFTED SPEECH, WAN LI EXPRESSED HIS SUPPORT FOR THE DECISIONS TAKEN BY THE LEADERSHIP TO END THE "COUNTER-REVOLUTIONARY REBELLION". OTHER PARTS OF HIS SPEECH WERE CONCILIATORY AND APPEARED TO REFLECT A DESIRE TO PLACE THE MARCHER AND THE EVENTS OF JUNE 3-4 BEHIND AND FOCUS ON THE WORK THAT LIES

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AHEAD AND THE NEED FOR UNITY IN MEETING FUTURE  
CHALLENGES.

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SPOKESPERSON ON JUNE 29 EXPRESSED DEEP REGRET OVER  
THE JUNE 27 EC STATEMENT ON CHINA AND SAID THAT "SUCH  
RASHLY ISSUED STATEMENTS... JEOPARDIZE BILATERAL  
RELATIONS."

U.S. DISPLAY CASE IN SHANGHAI DRAWS CRITICISM

8. CONSULATE GENERAL SHANGHAI REPORTS THAT SHANGHAI  
FOREIGN AFFAIRS OFFICE DEPUTY DIRECTOR GAO SEN  
DEMANDED THAT CONSUL GENERAL SYLVESTER REMOVE THE  
"DISTORTIONS AND PROPAGANDA" FROM THE CONSULATE'S  
OUTDOOR DISPLAY CASE BECAUSE IT "OFFENDS THE FEELINGS  
OF THE CHINESE PEOPLE." EMBASSY BEIJING HAS ADVISED  
CONGEN SHANGHAI NOT TO REMOVE PRESIDENT BUSH'S JUNE 6  
SPEECH, THE VOA COMMENTARY OR ANY OTHER MATERIAL FROM  
THE DISPLAY CASE BECAUSE GAO'S COMMENTS ABOUT THE  
PRESIDENT'S STATEMENT "OFFENDS THE FEELINGS OF THE  
AMERICAN PEOPLE."

CHINESE COMPLAIN TO EMBASSY ABOUT WIRELESS FILE

9. PAO REPORTS THAT HE WAS CALLED IN BY THE MFA  
INFORMATION DEPARTMENT ON JUNE 30 TO HEAR AN OFFICIAL  
CHINESE COMPLAINT THAT THE USIS WIRELESS BULLETIN HAD  
BEEN CARRYING INACCURATE STATEMENTS ABOUT THE  
"CHINESE QUELLING OF THE COUNTER-REVOLUTIONARY  
REBELLION" WHICH HURT "THE FEELINGS OF THE CHINESE  
PEOPLE." THE PAO DENIED THAT THE USIS BULLETIN WAS  
INACCURATE AND STRESSED THE NEED TO INFORM KEY  
MINISTRIES AND OTHERS IN BEIJING OF THE DEPTH OF  
FEELING AMONG AMERICANS OVER RECENT EVENTS IN CHINA.  
THIS WAS AN APPROPRIATE FUNCTION OF THE EMBASSY'S  
USIS OFFICE.

CHINESE CUTS OFF RECEPTION OF CNN TRANSMISSIONS

10. THE EMBASSY WAS INFORMED BY OFFICIALS AT THE  
AMERICAN JOINT VENTURE GREAT WALL SHERATON HOTEL THAT  
THE HOTEL HAD BEEN FORCED TO STOP RECEPTION OF CNN  
TRANSMISSIONS THROUGH ITS TELEVISION RECEIVE-ONLY  
ANTENNA DISH AT 1130 AM ON JUNE 30. THIS ACTION WAS  
THE RESULT OF AN ORDER GIVEN BY THE SENIOR CHINESE  
PARTNER OF THE JOINT VENTURE ENTERPRISE WHO SAID THE  
ORDER CAME "FROM HIGHER UP." IT APPEARS THAT OTHER  
HOTELS, FOR NOW, ARE STILL AIRING CNN.

SENIOR LEADERS MEET VISITING DELEGATIONS

11. IN AN EFFORT TO GET AS MUCH MILEAGE AS POSSIBLE  
FROM THE FEW OFFICIAL DELEGATIONS VISITING CHINA, ON  
JUNE 29 PRESIDENT YANG SHANGKUN MET WITH A BOLIVIAN  
PARLIAMENTARY DELEGATION AND PREMIER LI PENG MET WITH  
THE FOREIGN MINISTER OF SAO TOME AND PRINCIPE. THE  
JUNE 29 EVENING NEWS AND JUNE 30 PRINT MEDIA REPORTED  
THE CHINESE LEADERS CONVEYING THE PARTY LINE ON  
NON-INTERFERENCE IN CHINESE AFFAIRS. PREMIER LI PENG  
WAS QUOTED AS SAYING THAT THE VISITS DEMONSTRATED  
"SUPPORT FOR CHINA".

FOREIGN MINISTRY COMMENTS ON FANG LIZHI

12. UPDATING OUR PREVIOUS SITREP, THE JUNE 30  
PEOPLE'S DAILY REPORTED THE COMMENTS MADE BY THE MFA  
SPOKESPERSON JUNE 29 THAT THE SHELTERING OF FANG  
LIZHI AND LI SHUXIAN BY THE U.S. EMBASSY CONSTITUTES  
AN ENCROACHMENT ON CHINA'S SOVEREIGNTY, AND VIOLATES  
CHINESE AND INTERNATIONAL LAW

FOREIGN MINISTRY COMMENTS ON EC STATEMENT

13. ALSO UPDATING OUR PREVIOUS SITREP, THE JUNE 30  
ENGLISH-LANGUAGE CHINA DAILY REPORTED THE MFA

CHINESE EMPHASIZE PEACE CORPS PROGRAM IS ONLY  
POSTPONED, NOT CANCELLED

14. THE JUNE 30 OVERSEAS EDITION OF THE PEOPLE'S  
DAILY REPORTED THAT VICE PREMIER WU ZUEQIAN MET WITH  
DANIEL WONG, FORMER MAYOR OF CERRITOS, CALIFORNIA ON  
JUNE 29. WU EMPHASIZED TO THE VISITING AMERICAN THAT  
THE PEACE CORPS PROGRAM WAS ONLY POSTPONED AND WAS  
NOT CANCELLED.

VISA APPLICATIONS NEAR NORMAL

15. THE NUMBER OF VISA APPLICATIONS AT THE EMBASSY ON  
JUNE 30 RETURNED TO NEAR NORMAL FOR THE FIRST TIME  
SINCE THE GOVERNMENT NEARLY TWO WEEKS AGO BEGAN  
REQUIRING THAT ITS NATIONALS OBTAIN NEW EXIT PERMITS  
BEFORE THEY APPLY FOR VISAS AT FOREIGN EMBASSIES.  
THE EMBASSY RECEIVED 130 APPLICATIONS AND AN  
ADDITIONAL 20 APPLICANTS WERE ASKED TO APPLY NEXT  
WEEK.

MARTIAL LAW TROOPS HOLD SINGING CONCERT

16. IN HONOR OF THE 68TH ANNIVERSARY OF THE FOUNDING  
OF THE COMMUNIST PARTY, WHICH IS OFFICIALLY  
CELEBRATED ON JULY 1, THE MARTIAL LAW FORCES HELD A  
SINGING CONCERT INVOLVING ALL BRANCHES OF THE  
MILITARY SERVICE ON JUNE 29. PARTY GENERAL SECRETARY  
JIANG ZEMIN, PRESIDENT YANG SHANGKUN, PREMIER LI  
PENG, NPC CHAIRMAN WAN LI, QIAO SHI, YAO YILIN, SONG  
PING, LI RUIKUAN, WANG ZHEN AND OTHER SENIOR LEADERS  
ATTENDED.

PHILIPPINES LIFTS TRAVEL ADVISORY

17. XINHUA CHINA NEWS SERVICE REPORTED JUNE 29 THAT  
THE PHILIPPINES WILL LIFT ITS TRAVEL ADVISORY ON  
CHINA EFFECTIVE JULY 1, 1989.

DAXING WATERMELON FESTIVAL

18. FOREIGN MINISTER QIAN QICHEN HOSTED OVER 90  
DIPLOMATS ON AN EXCURSION TO THE DAXING WATERMELON  
FESTIVAL TO OBSERVE THIS YEAR'S BUMPER CROP. THE  
DIPLOMATS WERE MOSTLY FROM THIRD WORLD COUNTRIES AND  
THE EASTERN BLOCK STATES INCLUDING THE SOVIET UNION.  
FEW, IF ANY, WESTERN EUROPEANS ATTENDED. THE U.S.  
EMBASSY SENT ITS S&T COUNSELOR. THE FOREIGN MINISTER  
DELIVERED THE PARTY LINE DURING BRIEF COMMENTS TO THE  
GROUP.

CONTACTS

19. EMBASSY PAO REPORTS THAT A PRC TELEVISION CREW  
WHICH RECENTLY RETURNED FROM FILMING IN THE U.S. ON A  
USIS SUBSIDIZED TRIP, TOLD USIS BEIJING THAT IT  
LOOKED FORWARD TO CONTINUED CONTACT WITH THE EMBASSY  
BUT, FOR THE TIME BEING, ONLY WITH THE CHINESE  
NATIONALS ON THE STAFF, NOT WITH THE AMERICAN  
OFFICERS.  
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